

## **MINUTES**

### **MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON FINANCE**

**Call to Order:** By **CHAIRMAN BOB KEENAN**, on March 22, 2001 at 8:00 A.M., in Room 317 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Bob Keenan, Chairman (R)  
Sen. Ken Miller, Vice Chairman (R)  
Sen. Tom A. Beck (R)  
Sen. Chris Christiaens (D)  
Sen. John Cobb (R)  
Sen. William Crismore (R)  
Sen. Greg Jergeson (D)  
Sen. Royal Johnson (R)  
Sen. Bea McCarthy (D)  
Sen. Arnie Mohl (R)  
Sen. Linda Nelson (D)  
Sen. Debbie Shea (D)  
Sen. Corey Stapleton (R)  
Sen. Bill Tash (R)  
Sen. Jon Tester (D)  
Sen. Mignon Waterman (D)  
Sen. Jack Wells (R)  
Sen. Tom Zook (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Prudence Gildroy, Committee Secretary  
Jon Moe, Legislative Fiscal Division

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 2 Sections A and B  
3/16/01

HEARING ON HB 2Sponsor:

**REP. STEVE VICK, HD 31, Belgrade**, began by thanking the staff and subcommittees for all their work. He said the biggest change to HB 2 on the House floor was reducing the number of state employees and putting that money into the K-12 state education system. He said there was about \$7 million more for public schools in HB 2 than there was after subcommittee action.

**CHAIRMAN BOB KEENAN** said that after an overview by **Legislative Fiscal Analyst Clayton Schenck** and **Budget Director Chuck Swysgood**, global motions would be presented and then A and B of the budget. He said many of the amendments carried his name but sponsors would be found for them.

**Clayton Schenck, Legislative Fiscal Analyst** gave an overview of HB 2 and advised the total general fund budget was 2.3 billion, an increase in the budget of almost \$150 million. The increases were summarized on page 2 in a narrative format. The biggest part of the increase was in federal funds of almost 80 percent. He said it was \$24 million below the executive budget.

**SEN. CHRIS CHRISTIAENS** asked about the effect of statewide utility rates. **Mr. Schenck** said it was handled by building in inflation rates for electricity and natural gas. He was not aware of any subcommittee work in that regard.

**Chuck Swysgood, OBPP**, presented amendments. He said as soon as he had the inflation rates for energy he would get them to **SEN. CHRISTIAENS**. The amendments had **SEN. KEENAN's** name on them but were at the request of OBPP. He explained the amendments. He did not favor across the board cuts or the use of vacancy savings as a budget tool. One amendment was to restore 46 percent to the travel budget, after the impact of the reduction was considered. Other amendments were technical in nature. One dealt with the rate increases for Tort Claims for ongoing claims and settlements. He said he would still pay the bills from the general fund instead of all funds. Another amendment dealt with restoring funds to OPI as a matter of fairness.

Discussion:

**SEN. ROYAL JOHNSON** asked about the current ending fund balance before the amendments. **Budget Director Swysgood** said an adjusted ending fund balance was roughly \$40 to \$42 million. With all other issues still alive, it could be \$29.2 million. He said the inflation rates for electricity in 2002 was 7 percent; in 2003 9

percent. Natural gas for 2002 was 18 percent and in 2003 a 10 percent increase. **SEN. COREY STAPLETON** asked if the cost of the amendments was about \$10 million. **Mr. Swysgood** said the amendments correct some things they felt necessary to correct. He said it was less than \$1 million because of savings from taking what was left in the block grant part of HB 2 for education.

**SEN. JOHN COBB** explained further motions and amendments that would be offered.

**Motion:** **SEN. COBB** moved **AMENDMENT HB000224.aty**.  
**EXHIBIT**(fcs65a01)

**Jon Moe, Fiscal Division**, read the explanation at the end of each of the 13 sections that summarized the technical amendment.

*{Tape : 1; Side : B}*

**Motion/Vote:** **SEN. KEENAN** moved that **AMENDMENT HB00224.ATY BE ADOPTED**. Motion carried unanimously.

**Motion:** **SEN. BEA MCCARTHY** moved **HB000231.agd**. **EXHIBIT**(fcs65a02)

**SEN. MCCARTHY** explained that the amendment restored cuts made in subcommittee to Risk Management and Tort Defense Division. She said the action was needed to protect the state.

**Discussion:**

**SEN. STAPLETON** strongly opposed the amendment. He said it was not a new issue. He said it was basically the insurance costs that the Division charges in premiums to all the other agencies to cover anticipated losses and some current losses. He disagreed that the subcommittee reduced what the Division could charge and said they approved a 25 percent increase. He said there had never been an historical increase as much as the 70 percent that was in the Governor's budget.

**SEN. JACK WELLS** agreed with **SEN. STAPLETON**. In subcommittee, he asked one of the attorneys why rates were going up. The increase was mainly for anticipated claims. He cited an example to illustrate that state employees needed to be accountable and know that the state would not necessarily cover their errors 100 percent. When he asked why such high claims were anticipated, the answer given seemed illogical. He recognized that it might impact the general fund more than if the amendments were not put back in. He wanted to establish that the state does not have deep pockets and is not liable to an infinite degree. He said

taxpayers are just hurting themselves when they sue the state for windshield damage.

**SEN. MIGNON WATERMAN** sensed that the state would pay the claims regardless of the message. She felt they would be paid in a supplemental or up front. She was concerned about the growth of increased claims. She was not as concerned about windshields as about wrongful deaths and other major cases. She was concerned about hiring outside counsel. The projection was that, without the money, the account would be in the hole by the next session.

**SEN. TOM BECK** argued that tort reform was needed. Something might need to be done about the lawsuits and the ability of people to sue but cutting funds was not the answer. A deficit would come out of the general fund.

**SEN. MCCARTHY** said it was a hotly debated issue in subcommittee. Projected costs would impact the general fund by a half a million dollars within the next biennium. She did not think the state hired outside counsel indiscriminately. She believed there was an obligation and a responsibility to adequately fund the division.

**Vote:** Motion carried 12-8 with Cobb, Johnson, Keenan, Miller, Stapleton, Tester, Wells, and Zook voting no.

**SEN. COBB** passed out charts of the impacts for restoring the FTE funding reductions. **EXHIBIT(fcs65a03)** He proposed restoring the 1.5 percent FTE funding reduction back into the budget. His concern was about cutting too much. The net result would be to take the money back out in Section E for education. He said other motions would be coming.

**SEN. CHRISTIAENS** asked if the motion would restore all of the funding including special revenues, federal funds, and general fund. **SEN. COBB** said it basically deleted the amendment by **REP. WANZENREID** in the House Committee of the Whole. It would add about \$12 million back into the budget.

**Motion:** **SEN. COBB** moved **TO RESTORE THE 1.5% FTE FUNDING REDUCTION INTRODUCED BY THE HOUSE COMMITTEE OF THE WHOLE BY REP. WANZENREID.**

**SEN. COBB** wanted to amend the motion to include that whatever general fund FTE positions were put back into the budget, that those funds come out of the money that was dedicated to education by **REP. WANZENREID**. He wanted to do that globally and did not want to wait until Section E. **SEN. COBB** said he didn't know if he could do that now. He thought it was a leadership decision.

**SEN. WATERMAN** thought that procedurally, the amendment went beyond the motion. She thought **SEN. BECK** was talking about all motions that add money, not just that motion. She thought it would need to be a substitute amendment. **SEN. BECK** said he knew there would be lots of amendments to restore FTE in different areas throughout the day. He wanted a global motion that would keep everything revenue neutral.

**Motion:** **SEN. BECK** moved a **SUBSTITUTE MOTION THAT IF FTE REDUCTIONS WERE RESTORED, THE FUNDING FOR EDUCATION WOULD BE REDUCED TO ASSURE REVENUE NEUTRALITY.**

*{Tape : 2; Side : A}*

**Greg DeWitt, Legislative Fiscal Division**, talked to the committee about the impact of motions. He explained the options.

**SEN. TOM ZOOK** asked for clarification that if the motion failed, then **SEN. BECK'S** motion would apply to any further motions in that area that might be considered. **SEN. BECK** said that was his intent. **SEN. ZOOK** thought it was important. **SEN. WATERMAN** asked if the motion included any FTE or money that was added. **SEN. BECK** explained his motion saying that the money he wanted withdrawn from education was for those restored FTE positions that required general fund expenditures. **SEN. WATERMAN** asked for further clarification. **SEN. BECK** again explained his motion to keep the action revenue neutral. **SEN. JERGESON** asked if the motion would apply to FTE positions that were removed by the **WANZENREID** amendment. He said the 1 percent FTE's that were cut didn't go into education, but simply into the ending fund balance. If some of those FTE's were restored it would not have to come out of education. **SEN. BECK** affirmed that. **SEN. JERGESON** asked if he were to try to get the vacancy savings rate at the Extension Service and the Bureau of Mines consistent with that at the Ag Experiment Station, if those would not have to come out of education. **SEN. BECK** reiterated the intent of his motion. **SEN. SHEA** asked where the education community stood on the issue. **Eric Feaver, MEA AFT**, said he did not speak for the education community, but for members of the association, 2500 of whom were state employees and 1000 who are university employees. He supported the amendment of **SEN. BECK**. He said the impact of the 1 percent cuts would be significant. He said education would be taken care of by proposals still being considered, such as SB 495.

**Vote:** Substitute motion **carried 17-1 with Stapleton voting no.**

**Motion: SEN. COBB moved TO RESTORE THE 1.5 PERCENT FTE FUNDING REDUCTION INTRODUCED BY AN AMENDMENT IN THE HOUSE COMMITTEE OF THE WHOLE BY REP. WANZENREID.**

SEN. ZOOK asked for clarification. SEN. COBB said if the motion failed, there would be an amendment to make the cuts flexible as to grade level. SEN. ZOOK asked if that would be at the 60 percent rate. SEN. COBB said the 60 percent of the cut taken from higher grades would be removed, the money would still be cut but agencies would have more flexibility on where to take the cuts. SEN. MCCARTHY clarified that some agencies were so small that they could not accommodate the cut. SEN. COBB again clarified the amendment. SEN. BECK asked if there would be amendments to restore positions that do not affect general fund. SEN. COBB mentioned several that would be introduced. SEN. STAPLETON asked if the amendment had a \$12 million price tag. SEN. COBB said that was correct. SEN. STAPLETON expressed concern. A discussion was held further clarifying the motion and amendments.

**Vote: Motion that AMENDMENT BY SEN. COBB BE ADOPTED carried 11-7 with Keenan, Miller, Mohl, Nelson, Stapleton, Tash, and Wells voting no.**

**Motion: SEN. COBB moved TO RESTORE THE 1 PERCENT FTE FUNDING REDUCTION BY THE HOUSE APPROPRIATIONS COMMITTEE BY REP. KASTEN.**

SEN. COBB explained the amendment and said if it failed, there would be amendments to put the state and federal special revenue funds back in and also an amendment to exempt agencies under a certain FTE level.

**Vote: Motion that AMENDMENT BE ADOPTED failed 10-8 with Christiaens, Cobb, Jergeson, Johnson, McCarthy, Shea, Tester, and Waterman voting aye.**

**Motion: SEN. COBB moved TO RESTORE THOSE FTE'S FUNDED BY STATE SPECIAL REVENUE AND FEDERAL FUNDS OR PROPRIETARY FUNDS ONLY.**

SEN. COBB asked about those that were partly funded by general fund not being put back in. Greg DeWitt, Fiscal Division, said that could be done. Transportation would definitely be impacted by the amendment. He did not have a full breakdown. SEN. COBB said it was a policy issue. SEN. CHRISTIAENS supported the motion. Mr. DeWitt clarified the issue. SEN. CHRISTIAENS said the motion should state clearly that it was for state special revenue and federal or proprietary funds. SEN. COBB agreed with SEN. CHRISTIAENS. SEN. BECK agreed with the motion. He thought

some agencies would have to be looked at individually. He wanted to protect the general fund. **SEN. ZOOK** agreed with the motion. He said some of the positions were funded partially by general fund, but the motion was about dollars not positions. **Mr. DeWitt** said the only agencies that would be impacted by the amendment would be FWP and Transportation.

**Vote:** Motion **AMENDMENT BY SEN. COBB** carried unanimously.

**Motion:** **SEN. COBB** moved **TO RESTORE THE 1 PERCENT FTE FUNDING REDUCTION FOR AGENCIES OF 90 OR LESS FTES PLUS THE LEGISLATIVE BRANCH AND JUDICIARY.**

**SEN. BECK** suggested that since these were not global motions and were dealing with actual departments, that the committee go into the sections.

**SEN. COBB** withdrew his motion.

**SEN. COBB** explained the travel amendments. One restored all the travel. **Mr. Swysgood's** amendment would restore 49 percent of the 25 percent reduction.

**Motion:** **SEN. COBB** moved **HB00235.apj TO RESTORE ALL OF THE 25 PERCENT REDUCTION IN TRAVEL TAKEN ACROSS THE BOARD BY THE HOUSE BE ADOPTED. EXHIBIT(fcs65a04)**

**DISCUSSION:**

**SEN. CHRISTIAENS** asked if the amendment went to every agency within a department or if some were more impacted than others. He cited the example of Corrections transporting prisoners. **SEN. COBB** pointed out that on the worksheet, the amendment would restore everything taken out on the last page. **SEN. CHRISTIAENS** asked for clarification. **SEN. COBB** said his amendment would restore everything that the House took out. **Mr. Swysgood's** amendment would restore 46 percent of the 25 percent cut. **SEN. STAPLETON** questioned the rationale of restoring everything the House did. **{Tape : 2; Side : B}** **SEN. COBB** respectfully disagreed. He said the same amendment came up last session. He said agencies could not be stopped from traveling, they would have to find other money within their budget. His concern was with the structure of government that had to be funded and whether things could get done or not. He thought it better to cut programs. He said the House wasn't wrong, he just respectfully disagreed with what they did. He didn't want to do across the board. The structure of government needed to be funded. More was taken out than should be taken. He said if **Mr.**

**Swysgood's** amendment passed, language should be put in that just because the travel budget was cut, it didn't mean money could not be moved around.

**Vote:** Motion **AMENDMENT BY SEN. COBB failed 5-13 with Cobb, Jergeson, McCarthy, Shea, and Waterman voting aye.**

**Motion:** SEN. MILLER moved that **AMENDMENT HB00236.apj BE ADOPTED. EXHIBIT (fcs65a05)**

SEN. COBB explained that the amendment restored 46 percent of the 25 percent across the board cuts for all agencies. **Dir. Swysgood** said they looked at all reductions made by the house and had the agencies submit their requests of why they couldn't live with that reduction. The budget office determined that a partial return was appropriate. He said that amounted to about \$1.1 million over the biennium as compared to \$2.5 that was removed by the House. SEN. JOHNSON asked if the plan was to restore equally. **Dir. Swysgood** said it was not and referred to the explanation of the amendment. **EXHIBIT (fcs65a06)** The total average was 46 percent restored.

**Vote:** Motion **AMENDMENT HB000236.APJ carried unanimously.**

#### **HB 2 Section A**

REP. BOB DAVIES , HD 27, **Bozeman**, explained a handout--**EXHIBIT (fcs65a07)** a biennial comparison by agency by fund type and adjustments made from the **Martz** budget. He said there were virtually no cuts in spending, they were dealing with proposed increases. He read the narratives for each agency in Section A.

SEN. COBB asked, regarding page A-62 on Transportation, if there was a long term fix for the state special revenue account and whether there would be a gas tax next session. **Dave Galt**, Director of Transportation, said there was an internal long range planning document similar to the document on page A-62. They were fully aware within the department that 70 percent of the fund balance was the responsibility of DOT to manage. He said they had a long range plan to 2006 where the ending fund balance did not go below 0. The lowest would be in 2003 where they would experience the lowest cash flow at \$6.6 million which was below the \$10 million where they were comfortable. There was no intention for a gas tax increase.

**{Tape : 3; Side : A; Approx. Time Counter : 0}**

SEN. COBB asked if the extra 1 percent cut in addition to 4 percent allowed the Department of Revenue to do their job or meet



goals that were set to put extra money into an audit. **Mr. Kurt Alme, Director Department of Revenue**, said he had made his best effort given the 2½ months that he had been director. He was very concerned about their ability to complete the two year reappraisal cycle that the agency is on. He did not know if they could or could not do that based on the one percent cut, but he stated concern about carrying out critical functions due to the cuts. **SEN. JOHNSON** addressed the concern about the lack of computer capacity at DOR and the system not being capable of sending out notices on a timely basis. He wondered how that would be addressed. **Mr. Alme** said there were a lot of issues with their computer program. They have Points 1 which is the integrated or baseline system for all of the taxes that they collect. Points 2 is the project that they are embarking on for property tax, individual income tax and corporate license tax. Regarding notices to employers relating to unemployment insurance, he was optimistic that there was a technological fix to get out the statements and experience ratings in a timely manner. Statements of account for employers have not been sent out for five quarters beginning at the end of 1999 because of an inability to accurately process those statements in the Points system. **SEN. JOHNSON** asked if there was a way to make the present system work rather than adding a lot of other functions to that system. **Mr. Alme** said there were problems with Points 1 that contractors and IT staff were trying to re-mediate. He stated they had contractual obligations with UNISYS to add the new tax types. They are currently in dispute with UNISYS about their ability to timely provide the proper tax stream. They have begun the supplemental process to bring in outside counsel. The department has complied with their contractual obligations through the dispute process. **SEN. JOHNSON** asked if those contractual obligations were on the books before he became director. **Mr. Alme** said yes.

#### JUDICIARY

**Karla Gray, Chief Justice Supreme Court**, expressed appreciation at the restoration of the **WANZENREID** 1.5 percent reduction. She respectfully urged support for an additional amendment to restore the **KASTEN** 1 percent. She asked for support for the Judicial Branch budget as amended. She indicated the entire Judicial Branch was only .8 of 1 percent of state general fund budget. She said they had been good stewards of their budget. Their proposed budget was too high and they made cuts to match the **Martz** budget. The subcommittee then accepted the proposed budget which included some vacancy savings that were all the Judicial budget could manage. She said the increase was \$1.8 million over the biennium. Statutorily mandated salary increases accounted for 50 percent of that amount. Present law adjustments were 18

percent. Most of the remaining 32 percent of the increase were for 3 FTE for new law clerks for the Supreme Court, 1 FTE for the Clerk of Court for the second year only of the Biennium and ½ FTE for the first year and 1 FTE for the second year for additional staff for the Supreme Court's boards and commissions. The global reductions cost them \$112,000 of general fund moneys. She advised the only place that reduction could be realized would be against the newly authorized FTE for the budget subcommittee. She most respectfully urged support for the Judicial Branch budget.

**Questions from the Committee and Responses:**

**SEN. CHRISTIAENS** asked if the Judicial Branch would need general fund for a match with federal funds and special proprietary or if they were free to spend those funds without a general fund match.

**Lisa Smith, JUD**, asserted that the court assessment program required a 75/25 match and they had general fund dollars for that. If the 1 percent reductions stayed in, they would try hard not to take them against the attached programs. Citizens' Review Boards (CRBs) qualifies for a federal reimbursement of federal 4-E funds when they spend general fund. They do not have enough general fund to recoup all of the federal authority for the CRBs.

**SEN. CHRISTIAENS** asked what would be necessary to fully recoup the federal 4-E. **Ms. Smith** said the general fund that was taken out of citizen review boards for the biennium was between \$400,000 and \$500,000. **SEN. CHRISTIAENS** asked if that was the 25 percent match.

**Ms. Smith** said there was no matching requirement for CRBs. **SEN. JOHNSON** asked about the new proposal in the court assessment program and whether that was an expansion of the program. **Ms. Smith** said the reason the court assessment program was presented as a new proposal was because every year the federal government claims it is the last year they will fund it and every year they continue it. Every legislative session handles it as a one-time only. All one-time onlys have to come back as new proposals. **SEN. JOHNSON** inquired about CRBs. **Ms. Smith** said the CRBs and the court assessment program were completely unrelated as far as funding. Federal funds for CRBs were requested in the hope that they could continue to pursue the receipt of those funds. The CRBs are on a reimbursement basis.

**SEN. JOHNSON** asked what federal funds were in the program currently. **Ms. Smith** indicated there was about \$252,000 of general fund over the biennium. **SEN. JOHNSON** asked if there was federal money in addition. **Ms. Smith** said there was 150,000 in the base for the biennium. She said there was \$80,000 in federal funds in each year of the biennium. **SEN. JOHNSON** asked for the total budget for that program. **Ms. Smith** clarified that the present law adjustment and the new proposal for the CRBs both had the general fund taken out. She warned that the federal money

was then useless to them. The asked to keep it in hopes that some general fund would be restored. Unless they can spend a portion of general fund, they won't get that federal money. **SEN. JOHNSON** asked if there was an amendment to restore the general fund. **Ms. Smith** indicated they had agreed in subcommittee to live with the reductions.

#### LEGISLATIVE BRANCH

**Lois Menzies, Legislative Services Division**, expressed appreciation for the restoration of the 1.5 percent FTE reduction, which had a significant impact on how they do business. She voiced support for restoration of the 1 percent FTE reduction also. She reported a concern with accumulated comp time within the Legislative Services Division. She figured an excess of 7400 hours of comp time. They are under mandate by the Legislative Council to reduce comp time hours. Fewer people would mean additional comp time. She urged consideration for restoring the 1 percent. She noted that they removed 1.5 million in new proposals.

#### Questions from the Committee and Responses:

**SEN. CHRISTIAENS** asked how the budget before the reductions would have affected the comp time issue. **Ms. Menzies** said the plan had been to insure that people were not at work during the interim. Some who had large comp time balances often had excess annual leave as well. They work with staff to require them to eat out of the office to reduce the hours. Just before, during and after the legislative session, they must be fully staffed. **SEN. CHRISTIAENS** asked **Clayton Schenck** to reply to the same question. **Mr. Schenck** replied there was an agreement to reduce comp time. He said the solution has been working and comp time is less than in past sessions. It is not what it was targeted for and he attributed that to the term limits issue. The elimination of the 3.2 FTE would have eliminated those gains. **SEN. CHRISTIAENS** thought the comp time issue needed to be watched carefully to avoid long term liabilities.

**SEN. BECK** remarked that he had served on the Legislative Council and thought they had begun to get a handle on the comp time issue. **Ms. Schenck** said that was done through a number of methods. The "old fund" is very minimal and the hours being accumulated currently are being managed to get the hours down to less than 120 hours per individual just prior to the next session. **SEN. BECK** asked if the comp time would have been sky high they had been short 3 FTE. **Mr. Schenck** said it would have been and that they would accumulate the overtime of 4 FTE over the session. Their primary product is personal service to the

legislature. He said they would try to deal with the 4 percent vacancy savings within their budget, but the loss of FTE is more difficult.

**{Tape : 3; Side : B}**

**GOVERNOR'S OFFICE:**

**Chuck Swysgood, Office of Budget and Program Planning**, asserted that they had no issues. He addressed the 35.8 percent increase that was related to the \$2 million in federal spending authority in the Office of Indian Affairs along with \$150,000 for the Tribal Economic Development Council. Their budget only had one new proposal for \$30,000 for the Western Governor's Association dues which was reduced from \$60,000 originally requested. The total increase was for 2.4 percent of general fund over the biennium, all present law with the exception of the \$30,000.

**Motion:** SEN. BECK moved that **AMENDMENT HB000211.acs TO RESTORE 1 % GLOBAL CUT OF FTE BY REP. KASTEN BE ADOPTED. EXHIBIT(fcs65a08)**

**SEN. BECK** explained the amendment would restore the FTE from the 1% global amendment by **REP. KASTEN**. He reiterated the need to reduce and continue to control comp time. He contended that the Legislature asks a lot of the Legislative Services Division during the session, especially with term limits and urged adoption.

**Discussion:**

**SEN. CHRISTIAENS** shared that **Greg Petesch** was out of the office the previous year for 3 months due to accumulated comp time. He fully supported the amendment.

**SEN. JON TESTER** asked how many total FTE worked for Legislative Services. **SEN. BECK** deferred to **Lois Menzies**. **SEN. TESTER** asked if it was 50.6 and **Ms. Menzies** affirmed that. **SEN. TESTER** asked what the total impact on comp time would be from the elimination of the 1 percent FTE. He wondered if it would be possible to live with the reduction and still accomplish the goals for comp time. **SEN. BECK** contended the shortfall would occur in the next legislative session. That was where the accumulation of comp time would occur. The legislature put a cap on the amount of comp time. Without enough FTE, the work won't get done.

**SEN. JOHNSON** asked how much money was involved in the comp time accumulation and whether part of that was addressed with some funding in the last year. **SEN. BECK** said part of the comp time was paid off within funds between the Fiscal, Audit and Services Divisions. Caps were placed on comp time accumulated and how much had to be used before two years. **SEN. JOHNSON** pressed for a

dollar amount. He asked for the amount that was accumulated, and then the amount before and after the reductions. **Mr. Schenck** offered to get those numbers.

**SEN. ZOOK** strongly supported the amendment. Much work was done in the interim. He said there were people with 7 years of comp time accumulated, and the amount was brought down to 200 hours. He acknowledged the value of the work they do.

**SEN. MILLER** agreed with what had been said but was concerned about fairness to other departments and would oppose the amendment. He thought the problem was with the legislature, its priorities and the amount of bills brought forth. He did not want to be inconsistent.

**SEN. LINDA NELSON** said it was difficult to craft the plan for comp time. She felt an obligation to support the amendment.

**SEN. TESTER** asked if the comp time issue was due to a policy problem in not requiring those employees to take the comp time.

**SEN. BECK** said it was a combination and that they were trying to avoid paying time and a half by offering comp time. There was a demand for employees during the interim and they did not take the time off. The new policy is that comp time cannot be accumulated. He did not disagree with **SEN. MILLER** but said policies on bills had to be put in place first and then FTE cuts could be made.

**Vote:** Motion that **AMENDMENT HB000211.asc** BE ADOPTED carried 15-3 with Miller, Mohl, and Wells voting no.

-Break-

**CHAIRMAN KEENAN** said there was some confusion on the vote and the ramifications of the **WANZENREID** amendment that needed clarification. **Mr. Schenck** advised that the amendment by **SEN. COBB** to restore the 1 percent FTE reduction was to restore all funding except general fund and only for FWP and DOT. He contended that a number of agencies had some general fund in some programs and other programs were fully funded by other funds. He asked for clarification. **SEN. BECK** replied that the committee was restoring any funds that had no general fund whatsoever. Some required a general fund match. Those were the ones they did not restore. **Mr. Schenck** said if that was the case, the staff would have to determine which were general fund and which were not. **SEN. COBB** said he could make another motion to put it all back in with a clear vote up or down. **SEN. BECK** said the original idea concerned general fund dollars. If some FTE's were taken out that had a small amount out of general fund, even

though they had a large amount of special and federal funds, the committee wanted to look at those individually as the sections were addressed, if general fund had to be put back in to restore those FTE. His position was if there was no effect on general fund dollars, the FTE were restored. **Mr. Schenck** said they could do it either way just so it didn't affect general fund. He said the policy issue was whether the committee wanted to give all agencies back the FTE without the general fund and give them the flexibility to work with that, or if they just wanted to do that for certain agencies. **SEN. COBB** said the motions would be made for 1 percent down the line.

**SEN. CHRISTIAENS** understood that the motion was putting back in all of the special revenue, proprietary funds and federal dollars and removing the general fund that was identified in the motion. By restoring the other special revenues, if a department had other general fund somewhere else, they would have the flexibility with it that they needed. **SEN. BECK** suggested restating and voting on the motion again.

**Motion/Vote:** **SEN. COBB** moved to **RECONSIDER ACTION ON THE MOTION BY SEN. COBB TO RESTORE THE 1 PERCENT FTE REDUCTION. Motion carried unanimously.**

**Motion:** **SEN. COBB** moved to **ALLOW ALL AGENCIES TO HAVE ALL STATE SPECIAL, FEDERAL AND PROPRIETARY MONEY RESTORED, BUT NOT GENERAL FUND.**

**SEN. STAPLETON** asked how many agencies would benefit from the motion. **SEN. COBB** said agencies are given their state special, federal and proprietary money back.

**SEN. TESTER** asked if the motion dealt with the **KASTEN** reduction. **SEN. COBB** said the **KASTEN** reduction was 1 percent across the board. The motion would restore the state special, federal and proprietary 1 percent, but not general fund.

**Vote:** Motion **AMENDMENT BY SEN. COBB carried unanimously.**

**Motion:** **SEN. JERGESON** moved that **HB000232.agd BE ADOPTED. EXHIBIT (fcs65a09)**

**SEN. JERGESON** said the motion derived from a bill he carried. **Greg DeWitt, Legislative Division**, said the agency originally requested \$200,000. That was cut to \$140,000 in the **Martz** budget, and the subcommittee cut that down to 100,000. The amendment asked for \$30,000 more.

**SEN. STAPLETON** resisted the amendment. He said when the request came before the subcommittee, they offered part of the request and that was declined. **SEN. WATERMAN** asked the amendment not be adopted, if it would affect the state's bond rating. {Tape : 4; Side : A} **Cathy Muri, Department of Administration**, asserted that compliance was necessary or it would affect their audit and eventually the bond rating. **SEN. JOHNSON** asked what the \$30,000 request would do. **Ms. Muri** said a place mark was needed in the budget. They agreed with **Director Sysgood** on \$140,000. The subcommittee gave \$100,000 and the department requested the rest back. She then got commitments for some in-house programming. Some outside programmers are still needed, but it was determined they could get by with \$30,000. She said the \$100,000 would be for six months for a contract programmer to utilize PeopleSoft. **SEN. BECK** asked why \$30,000 could not be found within the department's budget of \$2.25 million. **Ms. Muri** replied that the majority of the accounting matches in her division were personal services and are restricted. **SEN. BECK** asked if that programming was for personal services. **Ms. Muri** said a consultant would be hired to do the work. **SEN. COBB** queried whether all the money was straight general fund. **Ms. Muri** said the accounting bureau was funded by general fund. She indicated the \$30,000 was recovered through their statewide cost allocation plans. She said the way it was recovered was when agencies were funded with federal funds, the money could be put in their indirect costs plans and they would ask for federal reimbursements. **SEN. COBB** asked if \$15,000 would then be enough. **Ms. Muri** said they get reimbursed after the fact. **SEN. CHRISTIAENS** asked how local governments would be affected by the lack of the \$30,000. **Ms. Muri** said local governments would not be affected as they report separately.

**Vote:** Motion failed 5-13 with Cobb, Jergeson, Nelson, Shea, and Waterman voting aye.

**Motion:** **SEN. TASH** moved that **AMENDMENT HB000213.ACS BE ADOPTED.**  
**EXHIBIT(fcs65a10)**

**SEN. TASH** explained that the Legislative Council for River Governance was started 3½ years previously and was especially important currently due to energy concerns. The \$28,000 would insure the state representation on the Council.

**SEN. BEA MCCARTHY** said most of the funding had come from the Legislative Council budget for the past 3½ years for as many as 7 members. That was cut to two members each from the House and Senate. The council meets 4 times a year and is limited to groups on the Columbia River drainage. She urged support for the

amendment. **SEN. BECK** advised he was chairman of the River Governance Committee. The 4 states in the northwest (Montana, Idaho, Washington and Oregon) came together to protect their interest in the Bonneville Power Administration. He was concerned that issue was far from over and also cited his concern with the issue of the Columbia River dams. He urged consideration for the amendment. **SEN. TESTER** asked if the committee was concerned with anything other than dam breaching and if the business could be done with through resolutions. **SEN. BECK** said the money was for the committee members to go to the meeting. He advised that other issues included the salmon and bull trout restoration issues and protecting Montana's water rights. The council is made up of legislators who got involved because the governors and the Indian Nations were making decisions without legislative input. **SEN. TESTER** asked if the \$28,000 was in the budget. **SEN. BECK** said it was a new proposal. The money had been coming out of the existing budget, but the money isn't there. Some money was taken from another fund. **SEN. JERGESON** asked what the \$28,000 would restore. **SEN. BECK** said they were trying to line item to make sure the funds were there. **Ms. Menzies** said the money came from program 21 for committees and interim studies. There was some money set aside that was not specifically allocated. A portion was taken from that fund and some from leadership travel. She said the committee would be ongoing and therefore it would be appropriate to seek funding specifically for the activity rather than piecing the funding together from several sources. **SEN. STAPLETON** said the department had agreed in subcommittee to no new proposals. He asked why the issue did not come up in subcommittee. He reminded that 1 percent was restored. **Ms. Menzies** said she believed their actions was consistent. She explained the it was an adjustment to program 21, not the program that included IT proposals. She remembered a brief discussion in subcommittee and an amendment for the \$28,000 that failed. **SEN. KEENAN** asked about an amendment to fully fund councils of state governments and how the two amendments related. **SEN. BECK** said the second amendment would be for dues. **SEN. CHRISTIAENS** asked how much money was in Leadership for travel and about mixing a little of each. **Ms. Menzies** said there was \$10,000 for the majority and \$5000 for the minority in each house. **SEN. JOHNSON** reminded that they had just voted not to fund \$30,000 that was important. He thought passing the amendment was a mistake and that the leadership travel budget ought to be looked at from the point of view that more members might participate.

**Vote: AMENDMENT HB00213.acs failed on a voice vote.**



**Motion:** SEN. COBB moved that **AMENDMENT HB00234.alt PORTION #1 AND #2 TO RESTORE THE PUBLIC INFORMATION OFFICER FOR DOT BE ADOPTED.**  
**EXHIBIT(fcs65a11)**

SEN. COBB maintained that the legislature technically only appropriates personal services, not FTE. The amendment would restore one position number.

Dave Galt, Director DOT, defended the importance of the public information officer. He cited the efforts of the information officer with the 10<sup>th</sup> Avenue construction project in Great Falls. He was concerned with the position being cut.

SEN. MILLER asked if the money was not restored, if it would be used to build roads. SEN. COBB replied that since the legislature funds personal services, the department could find the money in their budget to fund the position. He thought the intent of the house was to cut the position. The motion was to put the money back in for the FTE that was struck by the House.  
**{Tape : 4; Side : B}**

SEN. COBB clarified that #1 and #2 were being considered separately because of different funding sources and different sections. SEN. BECK clarified that 4 public relations officers were taken out by a separate WANZENREID amendment.

**Vote:** Motion **AMENDMENT HB000234.alt #1, #2 carried unanimously.**

**Motion:** SEN. COBB moved **AMENDMENT HB000234.alt #3 AND #4 TO RESTORE THE PUBLIC INFORMATION OFFICER FOR DOR.**  
**EXHIBIT(fcs65a12)**

Kurt Alme, Director DOR, defined the function of the public information officer for the DOR. His goal for the Department was to have proper customer service. The Public Information Officer fulfilled that role and was particularly needed during the transition to the new software system.

**Vote:** Motion that **AMENDMENT HB00234.alt #3 AND #4 BE ADOPTED carried unanimously.**

**Motion:** SEN. KEENAN moved **AMENDMENT HB000246.apg.**  
**EXHIBIT(fcs65a13)**

CHAIRMAN KEENAN said the amendment addressed a concern he had since the beginning of the session and he wanted a vote on it. He said there were two duplicate systems, the Citizen Review Board in the Judiciary and the Foster Care Review Boards in DPHHS. He said the CRBs began in 1993 as a pilot program and

have been ongoing since then. Both the Citizen Review Board and the Foster Care Review Committee provide for a panel of citizens to review cases of children in foster care. Both provide that district court judges appoint the panels in their district. Both review cases according to the same federal and state statutes and under the same time-lines. Both provide recommendations to the department and the district court judge. Both concur with the departments plans for children 90 to 95 percent of the time. A legislative audit found no substantial difference in the functions of the two organizations. He cited statistics to support his choice. He stated that neither system works better than the other. He cited a difference in cost. Foster Care Review Committees were begun in 1981 and have never received an appropriation, they are part of the DPHHS budget. There would be a savings to the general fund of \$257,455. The CRV has more staff support and training available to them.

**SEN. WATERMAN** said the issue was raised last session about the CRV Board being a pilot program and when does it end. She carried two bills in the current session to institutionalize two different systems, one in juvenile justice and the one in question. She believed her bill would give district judges a choice of which one to operate under but they would have to live within their appropriation. She claimed some judges did not want CRV boards. There were some judges who believed strongly in CRV boards. She said the question came down to who was in charge. The strongest argument for CRV boards was that they were perceived to be independent of the department and provide an independent review.

**SEN. JOHNSON** speculated that the biggest question in the bill was who would participate in hearings. He believed that if the amendment passed, the money should go to DPHHS to bolster their program.

**CHAIRMAN KEENAN** stated his intention, if the amendment passed, to put some of the money into the Casa Guardian Ad Lidum program and the rest to DPHHS for the FCRC. **SEN. BECK** said that could be taken care of with an amendment in the other section.

**SEN. STAPLETON** acknowledged there was a turf war as to who would oversee the board-the executive or the judiciary. He would support reverting the money back to the general fund. Otherwise it would be a policy issue, rather than a cost issue. **SEN.**

**JOHNSON** said the portion was unfair. He advised there was a shortage of money in the foster care program. He suggested money would build enthusiasm and that the portioning should be 75/25.

**SEN. MCCARTHY** asked for clarification that the CASA program was in the Judiciary budget.

**CHAIRMAN KEENAN** withdrew his motion.

**Motion:** SEN. KEENAN moved **AMENDMENT HB000246.apg WITH THE STIPULATION THAT THE GENERAL FUND SAVINGS WAS BROKEN UP 75% TO THE FCRC AND 25% TO THE CASA GUARDIAN AD LIDUM.**

**Vote:** Motion that **AMENDMENT HB000246.apg WITH STIPULATION BE ADOPTED** carried 12-6 with Beck, Cobb, Miller, Waterman, and Wells voting no.

**Motion:** SEN. JERGESON moved that **AMENDMENT HB000201.ajm BE ADOPTED. EXHIBIT(fcs65a14)**

**SEN. JERGESON** explained the amendment established an energy cost contingency fund to assist agencies of state government with energy cost increases over the amounts anticipated in HB 2 for the 2003 biennium. He said the amount of increase was unknown so there could not be global adjustments, but that utility bills would have to be paid. *{Tape : 5; Side : A}*

**SEN. JOHNSON** resisted the amendment. The current budget had a 7 percent increase to cover increased electricity costs with 9 percent the second year, and natural gas would be 18 percent and 10 percent. He agreed that the gas costs would be higher. He wondered about the need for a special contingency fund and why it could not be taken out of the general fund reserve by a supplemental. **SEN. JERGESON** asserted that the bills had to be paid. One of the benefits of the contingency fund would be if the utility rates do not come into effect and the money is not spent, the money would revert. He thought the potential size of a supplemental should be considered. He thought rational budgeting was in order. The amendment could serve as a placeholder and the amount adjusted in conference committee. He said the situation could not be ignored.

**SEN. STAPLETON** asked **Mr. Swysgood** why not do something similar to the suggestion of **SEN. JERGESON**. **Mr. Swysgood** revealed that when rates were established in the **Racicot** budget, it was based on the information available at that time. It became evident there would be increased energy costs but the level was hard to determine. His preference was to approach the problem through the supplemental process. **SEN. COBB** said it was illegal to have a supplemental. He thought it sent a wrong message private citizens and to agencies. **SEN. ZOOK** said a supplemental that was offered did not have to be approved and he favored that process over the contingency fund. **SEN. CHRISTIAENS** expressed that Energy West in Great Falls had just asked for a 30 percent increase. Those customers, if that increase was approved, would

have a 70 percent increase. The affects the College of Great Falls and other state agencies that are located in Great Falls. He thought the amendment was needed or an additional plan. **SEN. MILLER** had no problem with either option. He thought it should be estimated and put into the budget. He said they needed to know the revenue available and the cost of the whole budget. He wondered where the funds for the amendment were addressed. **SEN. JERGESON** said it would not come out of HB 2, it come from the ending fund balance. That would be where it would come from in a supplemental. He warned that a number of factors contribute to the ending fund balance. They are not all done in HB 2. It was a fixed cost that had to be paid. The contingency fund would not become a base appropriation until it actually becomes a reality. That would be the reason for the amendment rather than a global amendment putting those kind of rates all through the budgets. It gives the flexibility to make the adjustments needed by the end of the session. **SEN. MOHL** commented that they were already \$1.8 over the budget.

**Vote:** Motion that **AMENDMENT HB000201.AJM BE ADOPTED** failed 7-11 with Christiaens, Cobb, Jergeson, McCarthy, Shea, Tester, and Waterman voting aye.

**Motion:** **SEN. JERGESON** moved that **AMENDMENT HB000202.ajm BE ADOPTED. EXHIBIT(fcs65a15)**

**SEN. JERGESON** explained the same arguments would apply but the amounts were less. This would be as a placeholder.

**Vote:** Motion that **AMENDMENT HB000202.ajm BE ADOPTED** failed 7-11 with Christiaens, Cobb, Jergeson, McCarthy, Shea, Tester, and Waterman voting aye.

**Motion/Vote:** **SEN. COBB** moved **TO RESTORE 1% FTE FUNDING REDUCTION TO THE JUDICIAL BRANCH. Motion carried unanimously.**

**SEN. COBB** said the amendment was necessary due to the impact on a small agency. **SEN. STAPLETON** supported the amendment citing the actions already made in subcommittee.

**Motion/Vote:** **SEN. COBB** moved **TO RESTORE .5 FTE GOVERNOR'S OFFICE . Motion passed 12-6 with Christiaens, Johnson, Keenan, Miller, Stapleton, and Wells voting no.**

**Motion/Vote:** **SEN. COBB** moved **TO RESTORE .75 FTE FUNDING REDUCTION TO THE STATE AUDITOR'S OFFICE. Motion failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.**

**Motion:** SEN. COBB moved TO RESTORE 3.25 FTE'S TO DEPARTMENT OF REVENUE.

SEN. COBB said the DOR had vacant positions, positions open they couldn't fill, and therefore can't get their job done. That would amount to ½ percent FTE being restored. SEN. CHRISTIAENS expressed nervousness at the motions to restore FTE's coming from the general fund.

**Vote:** Motion failed 4-14 with Cobb, Jergeson, Shea, and Waterman voting aye.

SEN. JERGESON asserted that when the motion was made to put ½ FTE back in the governor's office, the motion passed. He cited the next vote for restoring the FTE to the State Auditor's office. He expressed the need to treat elected officials the same. He asked that the committee reconsider.

**Motion/Vote:** SEN. JERGESON moved RECONSIDER ACTION TO RESTORE THE .75 FTE TO THE STATE AUDITOR'S OFFICE. Motion carried 11-7 with Beck, Crismore, Johnson, Miller, Mohl, and Wells voting no.

**Motion:** SEN. JERGESON moved TO RESTORE .75 FTE TO THE STATE AUDITOR'S OFFICE.

SEN. STAPLETON resisted the motion. He said the State Auditor's office did not ask for it in subcommittee and the issue was not political. SEN. JERGESON said the KASTEN reduction in FTE's were across the board. He said it was not the restoration of an FTE that was adjusted in subcommittee, it was a restoration of FTE from the KASTEN amendments. He again suggested elected officials ought to be treated the same. SEN. STAPLETON disagreed saying that the subcommittee gave the auditor's office \$2 million back at their request. SEN. ZOOK said he voted to reconsider but thought the duties were different between the governor's and state auditor's office and he would not change his vote on the issue.

**Vote:** Motion TO RESTORE .75 FTE TO THE STATE AUDITOR'S OFFICE failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.

**Motion/Vote:** SEN. COBB moved TO CLOSE SECTION A. Motion carried 17-1 with Cobb voting no.

-Recess-

{Tape : 5; Side : B}

-Reconvene 3:10 p.m.-

## SECTION B

### **PUBLIC HEALTH AND HUMAN SERVICES**

**REP. DAVE LEWIS, HD 55, Helena**, presented that Section B comprised 1/3 of the budget. He indicated that with reductions and changes in revenues, they achieved \$11.3 million better than the **Martz** budget. The tobacco use prevention budget was reduced. They accepted administration proposals for \$5.2 million in reductions in the Mental Health Services Division. They directed a spend down in the balance in the TANF account and post secondary education was limited to 2 years for new people coming into the program.

**CHAIRMAN KEENAN** introduced Jonathan Windy Boy and **VICE-CHAIRMAN MILLER** took over as chair.

**Jonathan Windy Boy, Chairman Montana/Wyoming Tribal Leaders Council**, presented testimony to the committee **EXHIBIT(fcs65a16)** and explained proposed tribal amendments to HB 2 Section B. **EXHIBIT(fcs65a17)**. There were three amendments: a language change, building tribal specific data information on tribally enrolled FAIM participants, and allowing tribes to determine the transition of TANF and the eligibility of the participants as needy families.

**Gail Grey, Director DPHHS**, praised the work of the subcommittee and the staff. She emphasized that there were consequences from the loss of personnel through cuts. Extended foster care, liability regarding child abuse, and expectations of constituents would all be affected.

**SEN. CHRISTIAENS** asked **REP. LEWIS** about the elimination of the Medicaid assets test on the bottom of page B-1. **REP. LEWIS** explained that expanding CHIP program eligibility above 150 percent of poverty had been discussed. He indicated that **SEN. WATERMAN** had explained what the elimination of the Medicaid assets test would accomplish; the benefit would expand the number eligible for Medicaid and the number of slots available within the CHIP program. The committee left the money in HB 2 because of a policy decision to fund that program. An amendment was offered on the floor of the House to take \$500,000 out of the general fund appropriation in HB 2 for eliminating the Medicaid assets test. That amount and an additional amount were added to an increase in salaries for DD caseworkers. About \$300,000 of the original \$800,000 was left in the bill. He explained the

wait for further action on the elimination of the Medicaid assets test. If it passed, the funding is not there after the amendment.

**SEN. COBB** asked for the amount of the decrease in general fund from the Racicot budget. **Ms. Lois Steinbeck, Legislative Fiscal Division**, indicated the amount was about \$30 million. **SEN. COBB** asked what happened on the floor of the House. **REP. LEWIS** explained that the reversal of the **WANZENRIED** amendment released the general fund portion back into HB 2. He had a concern about the \$5 million going back into HB 2 and the impact on HB 121, the House K-12 vehicle. He offered an amendment to reduce the general fund portion of the pay plan by \$5 million. The total appropriation of the pay plan was about \$70 million for all funds. He indicated that the amendment was approved.

**SEN. COBB** speculated that the cuts were a little too much.

**Motion:** **SEN. COBB** moved **HB000238.als** BE ADOPTED.

**EXHIBIT** (fcs65a18)

**SEN. COBB** explained that the amendment prevented money from being moved to personal services. **SEN. STAPLETON** asked why amendments were made in full committee instead of subcommittee. **VICE-CHAIRMAN MILLER** said comments from subcommittee chairs would be invited. **SEN. COBB** said the process always included weighing values. He further explained the amendment process. **SEN. CHRISTIAENS** further explained that amendments would be expected to a section that was 1/3 of the total budget. He asserted that every senator should serve on the Human Services subcommittee to achieve a new perspective. He cited the experience of **SEN. COBB**.  
{Tape : 6; Side : A}

**REP. LEWIS** believed that the division needed flexibility. **Ms. Gray** stated no problem with the amendment but stressed the need for flexibility. She wanted the money to stay in benefits. **CHAIRMAN KEENAN** asked about the impact of the amendment. **Ms. Gray** professed that she did not anticipate a problem. **CHAIRMAN KEENAN** thought it important to address the concerns of the last two years, the frustration of the advocates and the inter-relation between DD and mental health. He said there was a need to be more client oriented. He asked if the language in the amendment would allow for the avoidance of the "silo mentality". **SEN. WATERMAN** said her concern was to clarify the benefit language to avoid categorizing.

**SEN. WATERMAN** suggested the amendment be changed to drop the language "may not be expended under any other category".

**Vote:** Motion that HB000238.apg BE ADOPTED carried unanimously.

**CHAIRMAN KEENAN** ruled that amendments HB000207.als and HB000208.als were out of order.

**EXHIBIT(fcs65a19) EXHIBIT(fcs65a20)**

**Motion:** SEN. COBB moved HB000226.apg. **EXHIBIT(fcs65a21)**

**SEN. COBB** explained the need to exempt the fiscal bureau from reductions in staffing.

**Discussion:**

**CHAIRMAN KEENAN** asked if exempting the fiscal bureau was specific enough and if it meant operations and technology. **Ms. Gray** said it was her understanding that it was just the fiscal bureau.

**SEN. JOHNSON** questioned the need for a special amendment. **SEN. COBB** replied that the legislature gives an appropriation and sets the policy, but there are vacant positions and audits are a necessity. **SEN. CHRISTIAENS** asked how many employees were in the bureau. **CHAIRMAN KEENAN** said there were 20. **SEN. COBB** indicated there were vacancies and a high turnover rate. **Mike Billings, DPHHS**, testified there were 40 employees in the bureau with 4 vacancies.

**Vote:** Motion that AMENDMENT HB000226.apg BE ADOPTED failed with Crismore, Johnson, Keenan, Miller, and Stapleton voting aye.

**Motion:** SEN. COBB moved HB000201.als BE ADOPTED.

**EXHIBIT(fcs65a22)**

**SEN. COBB** explained the need for a deputy director position. The subcommittee funded the position and it was taken out on the House floor. **SEN. BECK** asked if the position could be put back in without the appropriation. **SEN. COBB** recounted that 6.5 percent was taken out of personal services. He doubted that could be done. **SEN. BECK** said 1/5 had been given back already. **SEN. COBB** declared that the House had just taken \$5 million out of the pay plan. **SEN. BECK** asserted that was pay plan and different than FTE. **SEN. COBB** said the department could try to find the money somewhere else in their budget. He thought the position needed to be funded or cuts made somewhere else. **SEN. BECK** asked **Ms. Gray** if there was enough money in the division to fund the position. **Ms. Gray** said there was not enough money in the director's office to do that. **SEN. CHRISTIAENS** asked where the numbers came from. **Ms. Steinbeck** explained the position was either a grade 23 or 24 and together with benefits the total salary was \$76,000 to \$82,000; the rest was operating costs.



**SEN. WATERMAN** spoke in favor of the amendment reasoning that the department had 3000 employees and a \$2 billion budget. **SEN. BECK** noted the position was removed on the House floor.

**Vote:** Motion that **HB000210.als** **BE ADOPTED** carried unanimously.

**Motion:** **SEN. KEENAN** moved **AMENDMENT HB000245.apg.**  
**EXHIBIT (fcs65a23)**

**CHAIRMAN KEENAN** explained that the amendment took the rest of the general fund money in the assets test and moved it to the DD worker rate increases and restored \$204,815 into the Agriculture Heritage Program in DNRC which was removed in House action. **SEN. BECK** asked to segregate amendment #4. **SEN. JOHNSON** requested that #2 be segregated.

**Discussion:**

**SEN. NELSON** asked that #4 be clarified. **SEN. BECK** withdrew his motion to segregate #4 and instead requested that #2 be segregated to restore the funding to the Agriculture Heritage Program. **Mr. Moe** clarified that the numbers listed in the explanation did not match the amendment numbers. **CHAIRMAN KEENAN** restated that the #4 amendment, not the explanation #4 would be segregated.

**SEN. CHRISTIAENS** asked how much was in the Ag Heritage Program. He purported that if there was nothing in it, the \$200,000 would do nothing. **SEN. TASH** said it had \$888,000 in the last biennium and was amended to \$1 million. It was stripped out on the floor. \$400,000 per year was approved for the program in the **Martz** budget. **SEN. JERGESON** suggesting passing consideration on the amendment until Section C. **SEN. BECK** said he still wanted to segregate the #4 amendment. **CHAIRMAN KEENAN** indicated they would get back to the #4 amendment in Section C.

**Motion/Vote:** **SEN. KEENAN** moved that **HB000245.apg AMENDMENTS #1, #2 AND #3 BE ADOPTED.** Motion carried 13-5 with Cobb, Jergeson, Miller, Stapleton, and Waterman voting no.

**SEN. COBB** pointed out that the amendment for \$75,000 for a deputy director position had been done in a previous amendment. **Ms. Steinbeck** explained that items #2 and #3 should be considered.

**Motion/Vote:** **SEN. KEENAN** moved **TO RECONSIDER ACTION ON HB 000245.apg #1, #2 AND #3.** Motion carried unanimously.

**Motion/Vote:** SEN. KEENAN moved that HB000245.apg #2 AND #3 BE ADOPTED. Motion carried 14-4 with Cobb, Miller, Mohl, and Waterman voting no.

**Motion:** SEN. COBB moved HB000228.apg. **EXHIBIT**(fcs65a24)

SEN. COBB explained that the amendment would require the department to report to the Legislative Finance Committee on the impact that applying income to determine eligibility for developmental disabilities services would have on the developmental disabilities program. He invited **Dir. Gray** to comment. **Ms. Gray** said the department had no problem with the amendment. She knew there were issues with means tests particularly with children. SEN. COBB explained the amendment would get the information for possible future action.

**Vote:** Motion that HB000228.apg BE ADOPTED carried unanimously.

**Motion:** SEN. COBB moved HB000222.apg. **EXHIBIT**(fcs65a25)

SEN. CHRISTIAENS {Tape : 6; Side : B} explained that the amendment added \$600,000 to the foster care allowances for clothing and diapers and a personal needs allowance to foster care children between 13 and 18 years of age.

**Discussion:**

SEN. WATERMAN asked what the per client increase would be. **Pat Gervais, Legislative Fiscal Division**, indicated that would be about \$200 per child per year. The clothing allowance was for \$100 after 30 days. She indicated SEN. CHRISTIAENS had a bill with a fiscal note for about \$2.7 million and the amendment was a compromise. SEN. ZOOK asked about the clothing allowance. **Ms. Gray** said it was \$200 every six months. She added that the total increase for foster care per day would be 50 cents for the coming biennium. SEN. MCCARTHY asked if the \$200 was without regard to the age of the child. **Dir. Gray** indicated it was. SEN. MCCARTHY commented that it was about the same for tennis shoes as for diapers. SEN. BECK asked if the amendment was tried and failed in subcommittee or if it was new. REP. LEWIS did not recall that the amendment was offered in committee. SEN. CHRISTIAENS declared that he and REP. JAYNE co-sponsored a bill that was tabled in House Human Services that had a fiscal note of \$2.7 million. He did not talk to anyone in House appropriations. His amendment was being heard for the first time.

**Vote:** Motion that HB000222.apg BE ADOPTED failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.

**Motion/Vote:** SEN. CHRISTIAENS moved that HB000241.apg **EXHIBIT**(fcs65a26) BE ADOPTED. Motion failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.

**Motion:** SEN. CHRISTIAENS moved HB000221.apg. **EXHIBIT**(fcs65a27)

**CHAIRMAN KEENAN** asked where the money would come from as opposed to the previous two amendments. **SEN. WATERMAN** said she thought it was money that was hoped to be recovered by utilizing a IV-E match against community services. **Ms. Gervais** explained that Title IV-E is the federal foster parent and adoption program. Administrative costs are matched on a 50/50 basis. The subcommittee appropriated funds for the department for an FTE to pursue the match and approved a \$3 million biennial appropriation for federal funds for the potential recovery under the project. The amendment would expend a portion of the funds recovered under the Community Collaborative Project. **SEN. BECK** asked where the money would go is it wasn't for that purpose. **Ms. Gervais** indicated that under the IV-E Collaborative Community concept, the funds could be for a variety of uses as there was a great deal of flexibility. **SEN. CHRISTIAENS** reasoned that it was foolish to expand when not funding what already exists. **SEN. WATERMAN** supported the amendment and the need, but she wanted to leave the department the flexibility to use the funds in the area of greatest need. She felt most concerned about the foster care and children's budget, since DD and mental health got the most attention this session. **SEN. ARNIE MOHL** asked if the general fund would be 50 percent. **Ms. Gervais** explained that there would be general fund for the position, but there was no general fund match in benefits. She indicated there would be \$25,000 per year general fund to support 1 FTE. **SEN. WATERMAN** asked for clarification on how much would be recovered in matching funds. **Ms. Gervais** reported that if it were an administrative or salary cost, 50 percent would be recovered of half of what was expended from the feds. If it was a direct service benefit of the matches, approximately 70 percent would be recovered. **SEN. WATERMAN** asked what was estimated to be recovered. **Ms. Gervais** replied that the subcommittee appropriated \$3 million for the biennium for estimated recovery.

**Vote:** Motion that HB000221.apg BE ADOPTED failed 6-11 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, and Shea voting aye.

**Motion:** SEN. COBB moved HB000229.apg BE ADOPTED.  
**EXHIBIT**(fcs65a28)

SEN. COBB explained that the intention was to support in-home services for families to avoid the children entering the foster care system with a one-time project. SEN. KEENAN asked if the idea had been in any of the budgets. SEN. COBB said the funding kept disappearing. SEN. COBB said the subcommittee made the cuts Governor Martz had requested.

**Vote:** Motion HB000229.apg failed 7-11 with Christiaens, Cobb, Jergeson, McCarthy, Shea, Tester, and Waterman voting aye.

**Motion:** SEN. COBB moved HB000224.apg. **EXHIBIT**(fcs65a29)

SEN. COBB explained that the amendment would require the Human and Community Services Division to report to the Legislative Finance Committee before spending down the reserve in TEAMS.

**Discussion:**

SEN. ZOOK asked why it was approved in subcommittee if there was no plan. SEN. COBB advised that at one time it was a place holder because the department was not sure what changes needed to be made in the computer system. His concern was adding unnecessary items or spending more than necessary on the computer system. CHAIRMAN KEENAN clarified that the Legislative Finance Committee had no authority to approve or disapprove, the amendment was just a reporting mechanism. He asked Mr. Hank Hudson, DPHHS to comment. Mr. Hudson advised that the number had been placed without a lot of debate. The nature of their system would depend upon the decisions made in HB 2 about what welfare would look like in the coming biennium. He said they would have to move to retool quickly after the session and did not mind reporting to the Legislative Finance Committee to explain the changes that would be made to the system. He indicated that some funds might need to be expended to develop the plan, so he was concerned about not having access to any of the money prior to the report. SEN. WATERMAN thought it needed to be clarified that the department could expend some of the funds. She thought it should be changed that the department should periodically report on how they are spending the money, but she would not ask for the plan prior to the expenditure. {Tape : 7; Side : A} There was a time limit for spending the money. SEN. COBB said it could be changed if the amendment passed. SEN. JOHNSON asked Ms. Gray about the ability of the department to spend the funds in an intelligent way. Ms. Gray indicated that they did not yet know what should be in the plan but had no problem with reporting and

would be receptive to the input of the Legislative Finance Committee in the interim. **SEN. JOHNSON** asked about moving the money around after the amendment is in statute. **Ms. Gray** said it was not restricted currently. **SEN. JOHNSON** asked if the list was not meaningful. **Ms. Gray** thought the department could move money around within the listed categories with the exception of those that were restricted. She said there was not enough available information to know what the specific amount should be.

**Vote:** Motion **HB00224.APG WITH THE LANGUAGE REMOVED "PRIOR TO EXPENDING THE FUNDS"** failed 7-11 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, and Tester voting aye.

**Motion:** **SEN. COBB** moved **HB000233.apg. EXHIBIT(fcs65a30)**

**Mr. Hudson** advised the amendment insured that the department, in conjunction with OBPP and the Legislative Finance Committee was spending TANF money at a rate that met the expectations of the legislature and if not, the authority was given to move it into other unrestricted areas. **SEN. COBB** further explained the amendment. **SEN. SHEA** commented on **REP. FACEY's** amendment. **Mr. Hudson** remembered that **REP. FACEY's** amendment required the department to put all unspent money into two categories. **SEN. WATERMAN** suggested segregating #2. She said that was the language that was put in on the House floor which moved unspent money each quarter to **REP. FACEY's** programs--workforce development and low income housing. She recalled **Ms. Gray's** comment regarding needing flexibility. She stated support for amendment #2 and resistance to #1. **SEN. COBB** restated that #1 authorized redistribution and #2 was **REP. FACEY's** amendment. **SEN. WATERMAN** agreed with #2 but disputed the idea that the department needed to consult with OBPP in #2. **REP. LEWIS** supported the suggestion for flexibility. **SEN. WATERMAN** thought the amendment unnecessary.

**Vote:** Motion that **HB000233.apg #2 BE ADOPTED** failed 2-15 with Mohl and Shea voting aye.

**Vote:** Motion that **HB000233.apg #1 BE ADOPTED** failed 5-12 with Christiaens, Cobb, Jergeson, Tash, and Zook voting aye.

**Motion:** **SEN. COBB** moved **HB000239.apg. EXHIBIT(fcs65a31)**

**SEN. COBB** explained that the amendment clarified language regarding TANF funds and Montana Tribal projects.

**Vote:** Motion that **HB000239.apg BE ADOPTED** carried unanimously.

**Motion:** SEN. COBB moved HB000232.apg BE ADOPTED.  
**EXHIBIT**(fcs65a32)

**Mr. Hudson** explained this was a clean-up amendment removing a line item.

**Vote:** Motion that HB000232.apg BE ADOPTED carried unanimously.

**Motion:** SEN. COBB moved HB000230.apg BE ADOPTED.  
**EXHIBIT**(fcs65a33)

**SEN. COBB** described the technical change in the amendment for Tribes to apply for funds.

**Discussion:**

**Toni Plummer, Tribal Leader Council**, testified the council had consulted with **John Bushman, Federal Administration for Children and Family Services**, who administers the program registration for TANF Tribes. His opinion was that the two TANF Tribes in the State of Montana are eligible without application for the reserve funds because it is not considered duplicative funding or expansion of services. They did not agree with the amendment.

**Mr. Hudson** supported the amendment because the tribes can't receive duplicative funds. He thought **Mr. Bushman** was an expert, but would not be the one who would tell the State of Montana to pay the money back. He had no problem with the Tribes using the funds that were set aside for Tribal projects, he just wanted to make sure that the federal government would not require the state to return the money. He said as soon as the department received written authorization from the Secretary of Health and Human Services, all seven tribes would be made participants in the projects. **VICE-CHAIRMAN MILLER** asked **Ms. Plummer** if there was a any harm with applying. **Ms. Plummer** said there was no harm but it added an extra step for the two TANF Tribes. She said if the funds could be distributed equitably between the TANF and non-TANF tribes that would be fine. If it would be a matter of competition, she would not support that. **Mr. Hudson** agreed and indicated that if the federal government said those two tribes could participate, they would have the same access to the funds that all the other tribes would. It would not be a competitive process, it would be an allocation based on a formula. **SEN. WATERMAN** asked if **Mr. Hudson** would seek clarification and if the amendment was needed. **Mr. Hudson** explained that the department had already submitted a request to the federal government for clarification on the issue. He thought the amendment was not a bad idea because it clearly stated that the distribution of the



funds to all seven tribes was contingent upon federal approval.

**SEN. WELLS** asked **Mr. Hudson** if the words "may apply" could be replaced with "may receive" funds. He thought the amendment then would satisfy both parties. **Ms. Plummer** requested that tribes be at the table when the interpretation comes down from the federal government. **VICE-CHAIRMAN MILLER** said that was so directed.

**Vote:** Motion that **AMENDMENT HB000230.apg with the language change "MAY APPLY" TO "MAY RECEIVE" BE ADOPTED** carried unanimously.

-Break 4:55 p.m.-

-Reconvene 5:10 p.m.-

**Motion:** **SEN. COBB** moved **HB000243.apg BE ADOPTED.**

**EXHIBIT**(fcs65a34)

**Ms. Plummer** explained that the amendment to the DPHHS Human and Community Services Division budget would remove \$75,000 per year of federal funds that support the TANF evaluation contract from the division budget to the item FAIM II-R Tribal Projects (Restricted/Biennial). **SEN. COBB** said they were asking for the federal money for a feasibility study to run their own programs.

**SEN. KEENAN** asked about the specifics of the feasibility study.

**Ms. Plummer** said it would be a survey to determine whether it would be beneficial for a tribe to establish its own temporary assistance {Tape : 7; Side : B} program. The study would allow the tribe to determine what was in the best interest of the tribe. **SEN. KEENAN** said the tribes would be potentially outside DPHHS. **Ms. Plummer** indicated that the tribes would have a direct federal relationship. **SEN. STAPLETON** asked if the issue had been considered in subcommittee. **Ms. Plummer** said it was not brought up in subcommittee but was a determination of a tribal meeting. The group also determined to look at data systems. **SEN.**

**STAPLETON** wondered why the issue was not brought up in subcommittee. **SEN. COBB** replied that decisions are often made at the end of the budgeting process when dealing with the large budget of DPHHS. He concluded it was better for the tribes to run their own programs as there would be less conflict between state, federal and tribal laws. **SEN. STAPLETON** again stated his opinion regarding the subcommittee process. **SEN. KEENAN** explained the situation was unique. He indicated the state had accumulated over \$20 million through reduced caseloads for welfare and in October of 2002, the funds might revert to the federal government. The idea was to spend the money in worthwhile ways. He thought the amendment was justified. **SEN. WATERMAN** inquired if some evaluations had been done. **Mr. Hudson** said that at the start of welfare reform, one position on each

reservation had been funded with TANF money to plan for the transition for the tribes to their own programs. He would ask each individual tribal chairperson for direction on how to use the \$75,000. He said the tribes were distinct separate nations and needed to be approached on an individual basis. **SEN. JOHNSON** agreed with **SEN. STAPLETON** that the issue should have been discussed in subcommittee. He suggested using money allocated to the governor's office for the Indian Affairs office. **Ms. Plummer** asserted that DPHHS had money set aside for evaluation that is ongoing for two years. Tribal specific data would match the existing federal programs that are providing services under the federal block grant currently. A welfare reform subcommittee had been formed with the support of the tribes. **SEN. JOHNSON** said he really wanted to know why the money from the governor's office could not be used. **Mr. Windy Boy** explained that the coordinator of the Indian Affairs office was an arm of the governor's office and the MT/WY Tribal Leaders Council is a separate organization. They do not deal with the state government on a day to day basis. **SEN. MCCARTHY** asked **Mr. Hudson** if the \$75,000 needed to be separated or if authority was needed to distribute that to the tribes. **Mr. Hudson** thought the amendment could stand on its own as a whole.

**Motion:** **SEN. WATERMAN** moved a **SUBSTITUTE AMENDMENT THAT THE \$75,000 PER YEAR WOULD COME OUT OF THE TRIBAL PROJECTS LINE.**

**SEN. WATERMAN** thought it was a worthwhile thing to be done but that the tribes had to have control of it.

**Vote:** Motion **SUBSTITUTE MOTION** carried 16-2 with Jergeson and Shea voting no.

**Motion:** **SEN. JERGESON** moved **HB000242.apg BE ADOPTED.**  
**EXHIBIT (fcs65a35)**

**SEN. JERGESON** explained that the amendment reallocates funding to Tribal Projects and reduces other items.

**SEN. WATERMAN** asked **Mr. Hudson** and **REP. LEWIS** to respond to the amendment. **Mr. Hudson** said they were charged with operating a program for every citizen in the State of Montana and they spend roughly the same amount per client whether on or off reservations. He thought earmarking lines created complexities. There were no directions on exclusion. He thought the amendment was problematic. He said in subcommittee a decision was made to take certain money and direct it only to the tribes with maximum flexibility. He hoped to serve every citizen equally with the involved funds. **REP. LEWIS** agreed. **SEN. WATERMAN** said the subcommittee heard a lengthy presentation on the issue from the



tribes on the request for funds before they allocated those funds.

**Vote:** Motion that HB000242.apg BE ADOPTED failed 3-15 with Jergeson, Nelson, and Tester voting aye.

**Motion:** SEN. COBB moved a CONCEPTUAL AMENDMENT TO MOVE \$500,000 FROM THE B-19 NARRATIVE INTO TRIBAL PROJECTS FOR EITHER TRIBAL PROJECTS OR DAYCARE.

SEN. ZOOK thought the idea of the list was so the department had some flexibility. He felt the subcommittee approved the list and the figures, so he said he would resist the amendment. SEN. WATERMAN believed if the tribes ran Head Start programs they would be eligible for those funds.

**Vote:** CONCEPTUAL MOTION failed 2-15 with Cobb and Shea voting aye.

**Motion:** SEN. COBB moved HB000203.als BE ADOPTED.  
**EXHIBIT**(fcs65a36)

SEN. COBB explained the technical amendment that would clarify the intergovernmental transfer payment for Medicaid mental health services.

**Vote:** Motion that HB000203.als BE ADOPTED carried unanimously.

**Motion:** SEN. COBB moved HB000202.als BE ADOPTED.  
**EXHIBIT**(fcs65a37)

Ms. Steinbeck said the money would clarify the intent of an amendment made in subcommittee.

**Vote:** Motion that HB000202.als BE ADOPTED carried unanimously.

**Motion:** SEN. KEENAN moved HB000217.als BE ADOPTED.  
**EXHIBIT**(fcs65a38)

CHAIRMAN KEENAN explained the amendment which would restore money to the general fund for mental health services and allow a provider coalition to fund services that avoid the higher cost of out-of-home care for children.

***{Tape : 8; Side : A}***

Dan Anderson, Addictive and Mental Disorders, believed that some of the funding was needed just to meet the program needs of the existing caseloads and some \$480,000 was needed for grants to local providers for services to children in danger of out-of-home

placement. **CHAIRMAN KEENAN** vowed that as chairman of the Mental Health Oversight Advisory Council, he would be watching the situation closely and that it was his intent that the \$1.273 million should save \$4 or \$5 million over the course of two years. **SEN. WATERMAN** said a bill she carried would require the department to address the high cost kids. She supported the motion.

**Vote:** Motion HB000217.als carried unanimously.

**Motion:** SEN. COBB moved HB000206.als BE ADOPTED.

**EXHIBIT** (fcs65a39)

**SEN. COBB** made known that the amendment would require the mental health system to develop plans for community services within their budget.

**CHAIRMAN KEENAN** supported the intent of the amendment but wouldn't vote for it. He thought it could be done through the Mental Health Advisory Council and everyone involved. **SEN. COBB** said there was a \$22 million supplemental and the legislature had to set policy.

**Vote:** Motion HB000206.ALS failed 4-14 with Cobb, McCarthy, Shea, and Tester voting aye.

**Motion:** SEN. COBB moved HB000204.als BE ADOPTED.

**EXHIBIT** (fcs65a40)

The amendment, according to **SEN. COBB**, would require the department to develop a plan to control admissions and discharges from the Montana State hospital so that the budgeted population was not exceeded, and present a monthly report on population to the Legislative Finance Committee. He said Warm Springs was a big part of the supplemental. **SEN. BECK** reasoned that the amendment was well intended, but an outpatient plan was needed. Part of the problem was probably due to funding. Patients can't be discharged just to keep the numbers down; that doesn't solve the problem. He didn't know if he could support the amendment or not. **SEN. MCCARTHY** added that there is no control over district judge decisions which has much to do with the population at Warm Springs. She supported the part of the amendment that required the report on population. **SEN. WATERMAN** carried a bill to get judges not to send people inappropriately to Warm Springs. She thought the judges and mental health centers were in control.

**Vote:** Motion that HB000204.als BE ADOPTED failed 1-17 with Cobb voting aye.

**Motion:** SEN. KEENAN moved HB000201.als BE ADOPTED.  
**EXHIBIT**(fcs65a41)

Mr. Hudson enjoined that there were two amendments that roughly did the same thing. He expressed a preference for HB000216.als.

CHAIRMAN KEENAN withdrew his motion to adopt HB000201.als.

**Motion:** SEN. KEENAN moved that HB000216.als BE ADOPTED.  
**EXHIBIT**(fcs65a42)

Mr. Hudson explained that the amendment would remove the restricted designation for the general fund appropriation for Children's Basic Mental Health Services.

**Vote:** Motion that HB000216.als BE ADOPTED carried unanimously.

**Motion:** SEN. COBB moved that HB000212.als BE ADOPTED.  
**EXHIBIT**(fcs65a43)

SEN. COBB advised that the amendment placed a spending cap on the Montana State Hospital Corporation. SEN. BECK thought the department needed flexibility to run the hospital. SEN. COBB claimed that whenever Warm Springs came in over budget, children's mental health or other parts of the division were cut; he thought the division was mismanaged. He wanted them to live within their budget. CHAIRMAN KEENAN thought the problem was with the judges, and that it was impossible to control the population. SEN. WATERMAN thought everyone wanted to limit how much money is spent at Warm Springs, but the hospital could not just be shut down when they run out of money. SEN. COBB said the amendment would say "this is all you get, make it work".

**Vote:** Motion that AMENDMENT HB000212.als BE ADOPTED failed 1-17 with Cobb voting aye.

**Motion:** SEN. COBB moved that HB000215.als BE ADOPTED.  
**EXHIBIT**(fcs65a44)

SEN. COBB said the amendment transferred administration and funding for Children's Mental Health Services from the Addictive and Mental disorders Division (AMDD) to the Child and Family Services Division (CRSD) and Health Policy and Services Division (HPSD). Ms. Steinbeck suggested that #5 and #6 should be excluded from the amendment as they had already been acted on. SEN. WATERMAN acknowledged that there was frustration with the divisions within the department. She thought reorganization should be up to the director.

**Vote:** Motion HB000215.ALS failed 4-14 with Cobb, Jergeson, Tester, and Wells voting aye.

**Motion:** SEN. COBB moved that HB000207.als BE ADOPTED.

CHAIRMAN KEENAN advised that he had ruled that amendment out of order.

SEN. COBB read the explanation of the amendment which expressed a lack of confidence in the management of the Addictive and Mental Disorders Division to control costs, provide lower cost services, or foster the development of community services. He stressed that when the legislature gives the division money and sets the policy and there is mismanagement, that something needed to be done. SEN. WATERMAN supported the ruling that the two amendments were out of order. (HB000207.als and HB000208.als) SEN. COBB challenged the ruling.

**Motion/Vote:** SEN. WATERMAN moved TO SUPPORT THE CHAIRMAN'S RULING THAT HB000207. als WAS OUT OF ORDER. Motion carried unanimously.

**Motion:** SEN. COBB moved an AMENDMENT TO REINSTATE THE POSITION OF PUBLIC INFORMATION OFFICER FOR DPHHS BE ADOPTED.

SEN. WATERMAN stated support for the amendment as the position entailed getting information to clients.

**Vote:** Motion AMENDMENT carried 16-2 with Zook and Wells voting no.

**Motion:** SEN. COBB moved TO RESTORE THE 1% FUNDING REDUCTION TO the GENERAL FUND ADDITION TO DPHHS (KASTEN AMENDMENT).

SEN. COBB advised that cuts had never been more than 3 percent and that cuts were now up to 5 percent or more. He claimed work would not get done efficiently.

**Vote:** Motion TO RESTORE 1% FUNDING failed 6-12 with Christiaens, Cobb, Jergeson, McCarthy, Shea, and Waterman voting aye.

**Motion:** SEN. COBB moved TO RESTORE 1/2% OF FUNDING REDUCTION TO DPHHS.

**Vote:** Motion failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.

**Motion:** SEN. WATERMAN moved that HB000234.apg #2 and #3 BE ADOPTED. EXHIBIT (fcs65a45)

**Ms. Gervais** explained that amendment 234 reversed the action taken on the House floor. #1 reinstated the funding for the deputy director, which was already done. Item #2 reinstated the funding for the Medicaid asset test. Item #3 removed the funding that was added on the House floor for the direct care wage increase in the Mental Health Disabilities Service Division, and item #4 reinstated the funding for the Ag Heritage program in Section C. **SEN. WATERMAN** said #3 was a funding switch. She said she had been a supporter of DD rate increases and said they were up to about 10 percent per year. She purported that as the budget stood, there was no increase anywhere for uninsured low income Montanans. She wanted to find a way to increase CHIP and would have preferred to do it with the resource test, and that was why she argued for the amendment. **SEN. COBB** asked for clarification. **SEN. WATERMAN** asserted that she was restoring it to where it was. **SEN. COBB** argued that in Human Services, it was either expand services or pay for what was already in place. He said wages were not very good for what was in place. **{Tape : 8; Side : B}** **SEN. WATERMAN** said that on the House floor, they took money for the poor and uninsured and gave the money to the disabled and the amendment would reverse it. She said it was similar to subcommittee action that would rob one needy group to give to another.

**Vote:** Motion failed 1-17 with Waterman voting aye.

**Motion:** **SEN. COBB** moved that HB000211.ALS BE ADOPTED.

**EXHIBIT** (fcs65a46)

**SEN. COBB** advised that the amendment added funds for increases in wages for personal care workers. Most were part time and most were women. This raise would amount to about 12 cents per hour.

**Vote:** Motion failed 8-10 with Christiaens, Cobb, Jergeson, McCarthy, Nelson, Shea, Tester, and Waterman voting aye.

**Motion:** **SEN. COBB** moved to CLOSE SECTION B.

**Vote:** Motion to CLOSE SECTION B passed 17-1 with Cobb voting no.

#### **EXECUTIVE ACTION ON SB 483**

**CHAIRMAN KEENAN** advised a deadline with SB 483. He and **SEN. CHRISTIAENS**, who sponsored the bill, agreed to pass the bill out to be amended on the floor.

**Motion:** **SEN. CHRISTIAENS** moved that SB 483 DO PASS.

**Vote:** Motion that **SB 483 DO PASS** carried 14-4 with Miller, Mohl, Stapleton, and Wells voting no.

**CHAIRMAN KEENAN** thought the bill would make second reading the next day. **SEN. BECK** explained that amendments would be discussed on the floor.

**ADJOURNMENT**

Adjournment: 6:20 P.M.

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SEN. BOB KEENAN, Chairman

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PRUDENCE GILDROY, Secretary

BK/PG

**EXHIBIT** (fcs65aad)